

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Nemaha Post Office
Nemaha, Nebraska

Docket No. A2012-55

REPLY COMMENTS OF THE PUBLIC REPRESENTATIVE

(January 13, 2012)

The central issues raised in this appeal of the Final Determination to close the Nemaha, Nebraska Post Office are the impact on the provision of postal services, the impact upon the Nemaha community and whether the calculation of the financial effects of the closing misestimated the employee compensation expenses that would be saved.

Postal customer Mr. Rich Huey ("Petitioner") filed his appeal on October 25, 2011. On November 23, 2011, an administrative record was filed with the Commission. Petitioner also filed a Participant Statement in support of the petition on December 16, 2011.

The Petitioner alleges that the Final Determination is defective in that it underestimates of the impact of the closing on the community due to the fact that the office offered as an alternative to the Nemaha post office, once it has been closed, the Brownville Post Office, is itself being studied for possible closure. He also notes that another nearby post office, the Shubert Post Office is being studied for possible closure. The Postal Service's Final Determination estimates the distance to the Brownville Post Office to be 7 miles. The petitioner states that the Shubert Post Office is 6 miles away.

However, in the event both of these offices are closed, customers of the Nemaha Post Office would be forced to travel to the Auburn, Nebraska Post Office which he states is 15 miles away. (Petition at 1.) The Petitioner notes that local residents don't all own computers and can barely receive a cell phone signal. (*Id.*) and also questions the monetary savings estimate of closing the office, alleging that the replacement rural carrier is paid much more than the current postmaster, an OIC. (Participant Statement at 6.)

The Public Representative agrees that there are a number of troubling aspects about this proposed discontinuance. Three issues arise: (1) the impact on the provision of postal services, (2) the impact on the Nemaha community and (3) the calculation of economic savings expected to result from closing the Nemaha Post Office.

The impact on the provision of postal services becomes convoluted when the primary receiving office(s) are also in jeopardy of being closed as is the case here. The Public Representative verified that the two nearby offices, Brownville (7 miles) and Shubert (6 miles) are indeed on a list of offices subject to discontinuance study. In addition, another nearby Post Office, Stella (7 miles) is also undergoing a discontinuance study. (FD, Item 1, P.4) Petitioner indicates that the Auburn, Nebraska Post Office is 15 miles away. While MapQuest indicates a distance of 12.5 miles, this is still a significantly greater distance than 6 or 7 miles. In addition, no details are available which would support the notion that the Auburn Post Office can absorb the operations of *all four offices*, Nemaha, Brownville, Shubert and Stella, all of which are under consideration to be discontinued. The Nemaha Post Office has 81 P.O. Boxes rented. (FD. at 2) It is unclear from the administrative record how many P.O. boxes are rented at the Shubert or Stella Post Offices or for that matter, how many boxes are available at the Auburn Post Office. Thus, the Public Representative believes the Postal Service has failed to demonstrate the ability to provide adequate replacement service upon discontinuance of the Nemaha Post Office.

The impact of the discontinuance of the Nemaha Post Office on the Nemaha community, and in particular, the village of Nemaha, has been inadequately considered

by the Postal Service in its Final Determination to close the office. The administrative record indicates that the Nemaha Post Office has 98 P.O. Boxes. It also indicates that 81 of those are rented for a utilization rate of 82.6%. This is noteworthy since the population of Nemaha is only 175 people. Thus, it appears that extensive use is being made of the post office, even if customer visits do not always involve window transactions. In addition, during times of maintenance on the nearby Nebraska Public Power District Cooper Nuclear generating plant, the population of the town apparently may swell by as many as 1,200 temporary worker/residents for several months at a time. The extent of the effects of closing this office may be much greater than simply on the 175 person population of the Village of Nemaha itself.

The Final Determination is defective in its estimate of the financial consequences of closing. It makes the assumption that the salary and benefits that will be saved are those of an EAS-55 Postmaster (\$23,025 plus \$7,713). FD at 7. It makes this assumption even though the Nemaha postmaster has long-since retired (on April 1, 2008), and the Nemaha Post Office has been operated ever since by an Officer-in-Charge, at considerably lower compensation. *Id.* at 2. There is no realistic expectation that the Postal Service would replace the Nemaha postmaster with another full-salaried postmaster if it continues to keep the Nemaha Post Office in operation. The salary of benefits of the Officer-in-Charge should have been the measure of the savings. According to the Commission, estimates of the salaries and benefits saved by closing must be based on the Postal Service's best estimates of actual, rather than unrealistic or hypothetical savings.¹ The Postal service has also included lease savings of \$3,220 despite the fact that it notes that the lease runs through December 31, 2013 and there is no early cancellation clause. (FD, Item No. 15)

¹ See Docket No. A2011-19, Order No. 912, at 12-13.

The Commission should consider remanding the Final Determination for a more adequate explanation of retail service alternatives that will actually be available to the Nemaha community once the Nemaha Post Office is closed, accounting for the fact that so many of the surrounding offices are themselves being studied for closure, and whether the office(s) remaining open are capable of providing effective service to the community.

Respectfully submitted,

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